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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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DIV. OF OIL, GAS & MINING

IN REPLY PLEASE REFER TO:

3482, SL-070645/U-02292, U-084923, (UT-923)

January 4, 2005

Certified Mail--Return Receipt Requested

Mr. Carl Pollastro

Director of Technical Services and Project Development

Interwest Mining Company

One Utah Center, Suite 2000

Salt Lake City, Utah 84140-0200

Incoring
4/15/2018
Copy PFO, Wayne #1
Wayne #1, Div 5.
(2. sides)

Re: Minor Modification of Resource Recovery and Protection Plan (R2P2), 2nd Left off 3rd North Mains Longwall Block, Blind Canyon Seam, Deer Creek Mine.

Dear Mr. Pollastro:

The Bureau of Land Management (BLM) received a request dated 8 Nov 2004 from Interwest Mining Company to change the approved R2P2 by recovering additional coal in Longwall Panel 2nd Left (west of 3rd North Mains).

Interwest proposes to mine an additional approximately 100 feet by retreating the longwall one additional crosscut (from crosscut 18 to crosscut 17). The company projects this will result in the recovery of an additional 27,000 tons and BLM has calculated the added tonnage could be 10% to 20% less.

BLM inspected the area most recently on 2 November 2004, confirming the conditions shown. Although unlikely, it might be possible to recover an additional 100 feet of longwall coal and remove the longwall at crosscut 16. The company will keep BLM informed of the geologic conditions as the longwall reaches the point of starting the steps necessary to remove the longwall. BLM will then confer with the company to determine if additional coal can be recovered. A timely decision will be provided by BLM based on the information presented by the company.

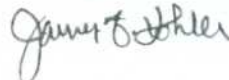
BLM has found that the recoverable coal reserves will increase by some 25,000 tons with the proposed R2P2 change from the previous R2P2 plan approved on 25 August 2004.

This approval of a minor modification to an existing R2P2 is Categorical Excluded from National Environmental Policy Act (NEPA) analysis in that no new surface disturbance will occur from this action as stated in Overview of BLM's NEPA Process, February 1997, Appendix 2, page 2-7 (F)(7).

The modification of the R2P2 complies with the Mineral Leasing Act of 1920, as amended, the regulations at 3480, and the lease terms and conditions. The modification will achieve maximum economic recovery of the federal coal partly because of efforts to recover coal under a powerline right-of-way and continuing efforts to mine as near low coal areas as possible. The low coal areas are much larger than originally projected.

The modification to the R2P2, as depicted on Drawing #1 dated 8 November 2004 (CAD FILE NAME/DISK#: Deer Creek Mine 2nd Left LW Panel - Proposed Recovery Face Re-Location), is approved, pending the final location of the longwall recovery room. A copy of the approved mine map is enclosed. If you have any questions, please contact Stephen Falk at the Price Field Office (435) 636-3605 or Jeff McKenzie of my staff at (801) 539-4038.

Sincerely,



James F. Kohler
Chief, Solid Minerals Branch

2 Enclosures

1. Approved Mine Map
2. Reference Mine/Geologic Map

cc: UT-070, Price, Utah (w/encl.)

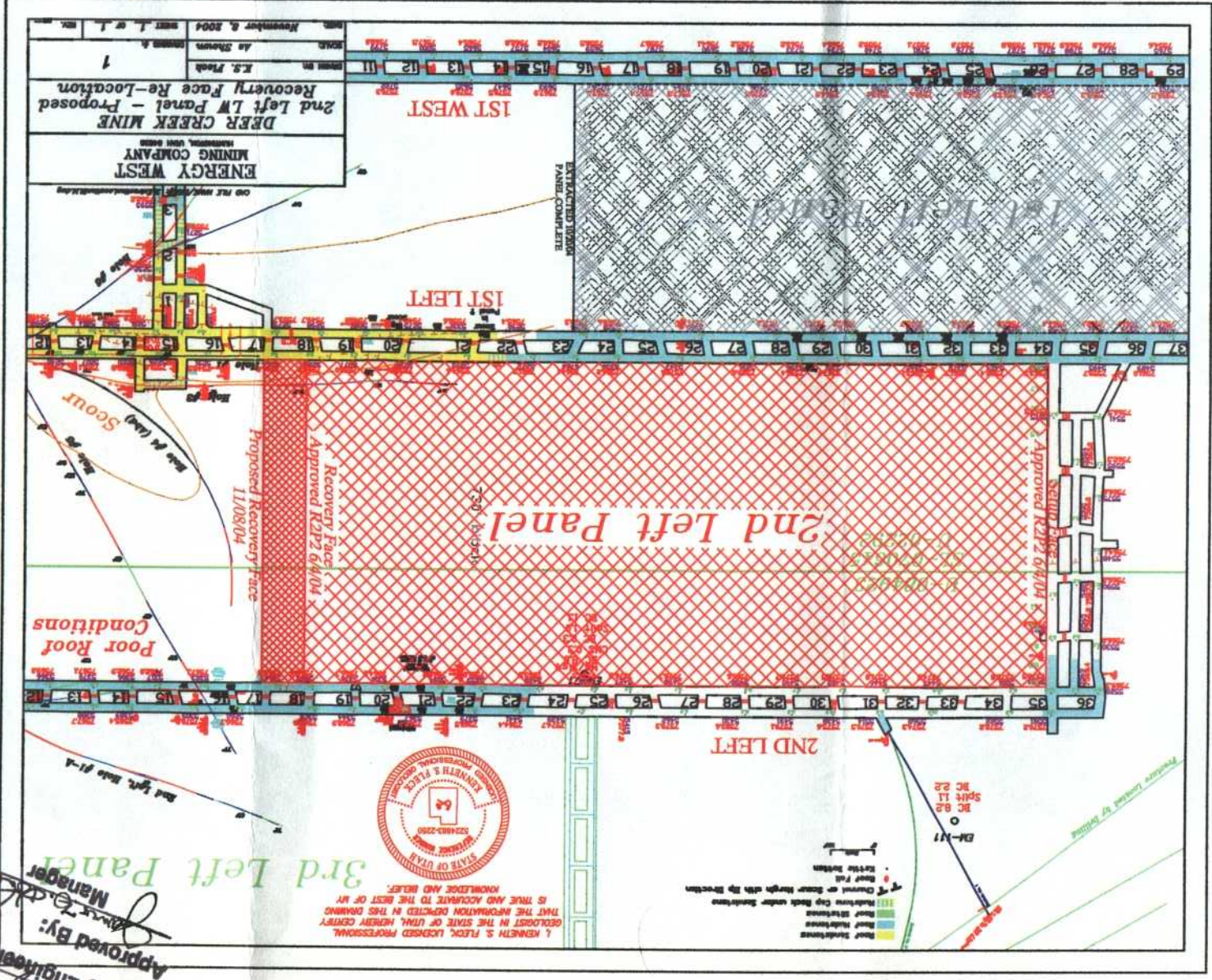
Utah Division of Oil Gas and Mining (w/encl.)

1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Energy West Mining Company (w/encl.)

P. O. Box 310
Huntington, Utah 84528

MINING PLAN APPROVED
BUREAU OF LAND MANAGEMENT
Recommended By: *[Signature]*
Mining Engineer (Date) 29 Dec. 2004
Approved By: *[Signature]*
Manager (Date) 01/03/2005



2. Reference Mine/Geologic Map

